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ACTION EUR-12

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TAGS: EGEN, ECON, UR

SUBJECT: BASIC DIRECTIONS OF SOVIET ECONOMIC DEVELOPMENT FOR 1976-

1980: 25TH CONGRESS UNANIMOUSLY ACCEPTS 10TH

FIVE-YEAR PLAN PROJECT

REF: MOSCOW 3250

1. SUMMARY AND INTRODUCTION. ALTHOUGH WHAT APPEARS TO US AS TEMPEST
IN SAMOVAR CREATED AMONG SOME JOURNALISTS AND DIPLOMATS IN MOSCOW
BY CERTAIN STYLISTIC CHANGES IN 25TH CONGRESS RESOLUTION OF MARCH 3

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ON ADOPTION OF 10FYP PROJECT, SUBSTANCE OF ACTION AND GENERAL

PROCEDURE APPEAR IDENTICAL TO THOSE FOLLOWED BY 24TH CONGRESS IN 1971. AFTER BELORUSSIAN FIRST SECRETARY MASHEROV ANNOUNCED CONGRESS DECISION ON "BASIC DIRECTIONS" (IN LIEU "DIRECTIVES") AND CONGRESS UNANIMOUSLY ADOPTED PROJECT, KOSYGIN GAVE BRIEF CONCLUDING SPEECH ON ECONOMIC PLAN. NOTING THAT CONGRESS DECISIONS WILL "DETERMINE CONCRETE CONTENT OF SOCIAL-ECONOMIC POLICY", KOSYGIN STRESSED "DEMOCRATIC" WAY PROJECT WAS WIDELY DISCUSSED AND AMENDED PRIOR TO CONGRESS. IN ADDITION HE CLAIMED FURTHER AMENDMENTS MAY BE MADE PRIOR SUBMISSION OF FINAL PLAN BY COUNCIL OF MINISTERS "IN SEPTEMBER 1976" FOR SUPREME SOVIET CONSIDERATION. KOSYGIN REMARKS, CONSIDERED ALONG WITH CERTAIN STATEMENTS FROM HIS MAIN ECONOMIC SPEECH, INDICATE POSSIBLE ALTERATIONS IN PLANNING AND MANAGEMENT MECHANISM (GOSPLAN MAY BE RELIEVED OF AT LEAST SOME DAY-TO-DAY ASPECTS), BUT LITTLE DOUBT LEFT THAT BASIC CENTRAL PLANNING PROCESS TO CONTINUE. END S & I.

2. CENTRAL PRESS MARCH 4 CARRIES DECISION OF 25TH CONGRESS ON "BASIC ORIENTATIONS OF DEVELOPMENT OF THE NATIONAL ECONOMY OF USSR FOR 1976-1980", AS WELL AS BRIEF CONCLUDING REMARKS BY KOSYGIN AFTER "UNANIMOUS ADOPTION" OF PROJECT BY CONGRESS DELEGATES. KOSYGIN STRESSED THAT PROJECT, WHICH INCLUDED MANY AMENDMENTS AND ADDITIONS AS RESULT TWO AND ONE-HALF MONTHS WIDESPREAD "DEMOCRATIC" DISCUSSIONS AT ALL LEVELS, WILL "DETERMINE CONCRETE CONTENT OF SOCIAL-ECONOMIC POLICY, OF ALL ACTIVITIES OF THE PARTY AND PEOPLE." PROJECT WHICH DELEGATES STUDIED AND APPROVED WAS RESULT OF WORK BY SPECIAL POLITBURO COMMISSION WHICH INTEGRATED FLOW OF AMENDMENTS/ADDITIONS INTO ORIGINAL THESES. KOSYGIN STATED THAT FURTHER CHANGES "NOT APPEARING IN DOCUMENTS GIVEN TO DELEGATES" WILL BE CONSIDERED BY "COMPETENT ORGANS IN CENTER AND AT LOCAL LEVELS" AND WILL BE "TO EXTENT POSSIBLE" TAKEN INTO ACCOUNT "IN PRACTICAL WORK."

3. POINTING TO BREZHNEV'S REPORT AS "GUIDE" FOR ACTION, KOSYGIN CALLED ON PLANNERS TO COMPLETE FINAL DRAFT "WITHIN NEXT FEW MONTHS FOR CONSIDERATION BY CENTRAL COMMITTEE PLENUM AND COUNCIL OF MINISTERS SESSION. DECISION ITSELF CALLS ON COUNCIL OF MINISTERS TO PRESENT "IN SEPTEMBER 1976" DRAFT FOR SUPREME SOVIET CONSIDERATION.

IN VIEW SCALE AND "UNIQUE FEATURES OF (10FYP) LINKED WITH THE TASK OF ALL-AROUND INCREASE IN EFFECTIVENESS AND QUALITY", KOSYGIN SAID NECESSITY TO COMPLETE DRAFT EXACTLY ON TIME WAS URGENT. LIMITED OFFICIAL USE

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"ORGANIZING WORK FOR FULFILLMENT OF THE GRANDIOSE CHALLENGES OF THE PLAN, WE MUST DO EVERYTHING NECESSARY SO THAT THESE CHALLENGES MAY STAND AS A CONSTANT SOURCE OF CREATIVE ACTIVITY OF ALL WORKERS IN OUR COUNTRY IN THE 10TH PLAN," THUS ENSURING THAT "GOALS ENACTED BY THE PARTY AT THE CONGRESS WILL BE ATTAINED."

4. CLOSE COMPARISON OF 25TH CONGRESS "DECISION" WITH 1971 24TH CONGRESS VERSION REVEALS NUMBER OF SLIGHT DIFFERENCES: "BASIC

ORIENTATIONS (DIRECTIONS)" IN LIEU OF "DIRECTIVES"; ADDED NOTE THAT RESOLUTION TO APPROVE PROJECT IS AFTER ". . HAVING RECEIVED FULL APPROVAL IN THE COURSE OF NATIONWIDE DISCUSSIONS"; COUNCIL OF MINISTERS TO BE".. GUIDED BY BASIC DIRECTION .." INSTEAD OF ".. ON BASIS OF PRESENT DIRECTIVES" IN COURSE DEVELOPMENT FYP; DRAFT TO BE SUBMITTED TO SUPREME SOVIET FOR CONSIDERATION".. IN SEPTEMBER 1976" INSTEAD OF "BEFORE SEPTEMBER 1"; CONGRESS CONSIDERS "ELABORATION AND REALIZATION OF FYP" AS IMPORTANT TASK IN LIEU OF JUST ELABORATION; AND ADDITION OF "TRADE UNIONS AND KOMSOMOL ORGANIZATIONS" TO THOSE CHARGED WITH CARRYING OUT CONGRESS MANDATE (AFTER "PARTY, SOVIET AND ECONOMIC ORGANIZATIONS").

5. COMMENT: MODIFICATIONS APPEAR TO US MORE AS SPECIAL EFFORT TO INCREASE PERSONAL SENSE OF INVOLVEMENT BY MAN IN THE STREET AND PERHAPS AS UNUSUAL ATTEMPT AT ORIGINALITY BY DRAFTERS THAN SIGNIFICANT SUBSTANTIVE CHANGES. IN HIS PRINCIPAL SPEECH ON ECONOMY (MARCH 1) KOSYGIN REMARKED THAT STATE PLANNING COMMITTEE (GOSPLAN) "MUST BE RELEASED FROM MANY OF ITS CURRENT CONCERNS" IN ORDER TO DEVOTE FULL TIME TO "WORKING OUT BASIC PROPORTIONS IN THE DEVELOPMENT OF THE NATIONAL ECONOMY, PRODUCING A BALANCED PLAN, DRAWING UP COMPREHENSIVE PROGRAMMES, SOLVING PROBLEMS IN ECONOMIC DISTRICTING AND LOCATION OF PRODUCTIVE FORCES, AND DETERMINING WAYS OF RAISING EFFICIENCY." IT IS STILL EARLY TO JUDGE WHETHER P.M. MASHEROV'S SUGGESTION THAT NEW BODIES SUBORDINATE TO COUNCIL OF MINISTERS BE ESTABLISHED TO REGULATE TIES BETWEEN INDUSTRIAL SECTORS WILL BE IMPLEMENTED. HOWEVER, FACT THAT "INTERSECTORAL PRODUCTION" PROBLEM WAS STRESSED IN SEVERAL SPEECHES BY REPUBLICAN AND OTHER LOWER-LEVEL OFFICIALS INDICATED THAT IT IS RECEIVING CONSIDERABLE ATTENTION. ALTHOUGH KOSYGIN DID NOT MAKE SPECIFIC REFERENCE TO 15-YEAR PLAN (TO 1990)(SEE REFTEL), HE DID MENTION IN SEVERAL PLACES NEED FOR "LONG-TERM PERSPECTIVE" CONSIDERATION OF PROBLEMS. WHILE GOSPLAN MAY, THEREFORE, SHIFT MAIN ATTENTION AND EFFORT TO "BIG PICTURE", OTHER CENTRAL ORGANIZATIONS (KOSYGIN SPECIFIED STATE COMMITTEE FOR LIMITED OFFICIAL USE

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MATERIAL AND TECHNICAL SUPPLY-GOSSNABAN MINISTRIES AND OTHER AGENCIES) WILL PROBABLY ABSORB MOST "CURRENT CONCERNS", THUS INSURING CONTINUATION OF CENTRALIZATION AT PRESENT LEVEL. WITH REGARD DIFFERENCE IN TONE AND CONTENT OF BREZHNEV AND KOSYGIN ECONOMIC REMARKS, WHICH APPEARS TO HAVE AROUSED UNWARRANTED DEGREE "KREMLINOLOGICAL SPECULATION" AMONG SOME CORRESPONDENTS AND DIPLOMATS HERE,EMBASSY CONSIDERS THIS AS NOT UNUSUAL EXAMPLE OF PARTY "STICK" BEING FOLLOWED BY MELLOWING APPLICATION OF GOVERNMENT "CARROT". STOESSEL

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